

Message Text

PAGE 01 STATE 126831

10

ORIGIN EB-07

INFO OCT-01 ISO-00 ITF-05 SR-02 ORM-01 EA-06 DODE-00

TRSE-00 SS-15 SSO-00 L-03 SCA-01 /041 R

DRAFTED BY EB/IFD/OMA:CCCUNDIFF

APPROVED BY EB/IFD/OMA:RJRYAN

TASK FORCE:AANTIPPAS

----- 001384

R 310016Z MAY 75

FM SECSTATE WASHDC

TO CINCPACREP

INFO CAMP PENDLETON

OMA/EGLIN AFB

FT CHAFFEE

C O N F I D E N T I A L STATE 126831

E.O. 11652:GDS

TAGS: EFIN, VS

SUBJECT:DESPOSITORY SERVICES FOR REFUGEES OFFERED BY
AMERICAN SAVINGS AND LOAN ASSOCIATION

1. DEPT. CONTACTED FEDERAL HOME LOAN BANK BOARD (DEPUTY
DIRECTOR OF PUBLIC AFFAIRS, MR. ROBERT MARSHALL) MAY 29
WITH RESPECT TO AMERICAN SAVINGS AND LOAN ASSOCIATION,
P.O. BOX 811, AGANA, GUAM 96910.

2. AMERICAN SAVINGS AND LOAN ASSOCIATION (AS&L) IS A BONA
FIDE MEMBER OF THE FEDERAL HOME LOAN BANK BOARD SYSTEM AND
UNDER DIRECT CONTROL AND SUPERVISION OF THE REGIONAL
FEDERAL HOME LOAN BANK OF SEATTLE. ITS DEPOSITS ARE IN-
SURED BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION
UP TO \$40,000 PER ACCOUNT. A S&L HAD TOTAL ASSETS OF
\$2,719,540 AS OF DECEMBER 30, 1974. FEDERAL HOME LOAN
BANK BOARD CONSIDERS IT TO BE A SMALL BUT FISCALLY SOUND
SAVINGS AND LOAN.

3. AS OF MAY 23, A S&L HAD ON DEPOSIT IN FEDERAL HOME LOAN
CONFIDENTIAL

PAGE 02 STATE 126831

BANK (FHLB) OF SEATTLE THE SUM OF \$210 MILLION, REPRESENT-
ING APPROXIMATELY 350 INDIVIDUAL VIETNAMESE ACCOUNTS. A
S&L HAS WRITTEN LETTER OF MAY 7 TO PRESIDENT OF FHLB OF
SEATTLE EXPLAINING ITS OPERATIONS WITH THE REFUGEES ON GUAM

AND HAS PROMISED TO REPORT REGULARLY ON THIS MATTER. A S&L SAYS IN THIS LETTER THAT IT BECAME INVOLVED IN THESE

OPERATIONS AT REQUEST OF THE COMMANDER OF NAVAL FORCES ON GUAM IN ORDER HELP PROTECT ASSETS OF VIETNAMESE REFUGEES FROM THEFT OR OTHER LOSS. IT NOTES THAT DECK & CO. IS BUYING GOLD AT OROTE POINT AND THAT BANK OF AMERICA IS SELLING FOREIGN EXCHANGE AND TRAVELLERS' CHECKS. A S&L ALSO STATES THAT "MILITARY" AT FIRST SUGGESTED NO INTEREST BE PAID FOR SAFEKEEPING OF VIETNAMESE DEPOSITS, BUT UPON DELIBERATION A S&L'S BOARD FELT THAT THEY COULD AFFORD TO PAY 3 PERCENT ON THESE DEPOSITS AND STILL COVER THEIR COSTS. (FYI: IN ADDITION, A S&L CLAIMS TO BE INFORMING VIETNAMESE DEPOSITORS OF EXISTING RATE STRUCTURE OF S&L'S ON THE MAINLAND.)

4. ACCORDING TO THIS MAY 7 LETTER, EACH VIETNAMESE ACCOUNT HOLDER WITH A S&L ON GUAM IS ISSUED A REGULAR SAVINGS ACCOUNT PASSBOOK IN WHICH IS ENTERED THE DEPOSITOR'S NAME AS USUAL AND, ADDITIONALLY, THE DEPOSITOR'S VIETNAMESE GOVERNMENT IDENTIFICATION NUMBER. A S&L ADDS THE LATTER FEATURE IN ORDER TO AID IDENTIFICATION OF THE PROPER ACCOUNT HOLDER UPON FUTURE RECEIPT OF WITHDRAWAL DRAFTS FROM U.S. FINANCIAL INSTITUTIONS. (FYI: IT IS NOT NORMAL S&L PRACTICE TO ACCEPT WITHDRAWAL OF DEPOSITS IN THIS FASHION -- USUAL PRODEDURE IS TO PRESENT PASSBOOK DIRECTLY TO THE S&L IN WHICH FUNDS ARE DEPOSITED -- BUT A S&L HAS INFORMED FHLB OF SEATTLE OF ITS WILLINGNESS TO ADOPT THIS PARTICULAR WITHDRAWAL PROCEDURE.)

5. A S&L ASKED SEATTLE BANK IN MAY 7 LETTER TO COMMUNICATE "SOMEHOW" WITH ALL S&L'S AND BANKS TO BE GENERALLY ON THE LOOKOUT FOR THESE BOOKS. A S&L HAS REQUESTED "THAT THE INSTITUTIONS INDICATE THE VIETNAMESE IDENTIFICATION NUMBER ON THEIR CUSTOMER DRAFTS ALONG WITH THE DEPOSITOR'S ADDRESS FOR DISTRIBUTING IRS 1040 FORMS." A S&L NOTES ALSO IN THIS LETTER THAT IT "UNDERSTANDS THAT U.S. IMMIGRA-CONFIDENTIAL

PAGE 03 STATE 126831

TION IS CHANGING THE NAMES OF PEOPLE AS THEIR PAPERS ARE PROCESSED." A S&L ADDS THAT "TO ELIMINATE ANY CONFUSION WE SUGGEST THE BANK OR S&L DRAFTING US CAN USE THE CUSTOMER'S NEW NAME AS WELL AS THEIR VIETNAMESE NAME". A S&L CONCLUDES THAT "WE WANT TO MAKE CERTAIN THAT THERE WILL BE A MINIMUM OF DELAY ONCE THE ACCOUNT HOLDER TAKES HIS PASSBOOK TO A U.S. BANK FOR TRANSFER".

6. REFUGEE ACCOUNT FUNDS TRANSMITTED TO SEATTLE BANK ARE BEING HELD THERE IN A SEPARATE CATEGORY DAILY INTEREST ACCOUNT. FEDERAL HOME LOAN BANK BOARD SAYS THERE IS NO WAY THESE FUNDS CAN BE USED FOR OTHER PURPOSES BY SEATTLE

BANK. FHLB OF SEATTLE HAS NO AUTHORITY TO INSURE THAT THESE FUNDS REMAIN ON DEPOSIT TO GUARANTEE ABILITY OF A S&L TO MEET WITHDRAWAL DEMANDS, BUT A S&L SAYS IN ITS MAY 7 LETTER TO FHLB OF SEATTLE "THAT DUE TO VERY SHORT DURATION OF THESE FUNDS, WE ARE NOT UTILIZING ANY OF THE DEPOSITS FOR FUNDING LOANS. WE INTEND TO MAINTAIN THE FULL VALUE OF ALL DEPOSITS ONLY IN OUR VARIOUS D.I.D. (DAILY INTEREST ON DEPOSITS) ACCOUNTS".

7. THERE IS, HOWEVER, SOME DISCREPANCY (POSSIBLY DUE TO INTERPRETATION) BETWEEN WHAT A S&L TELLS YOU IN PARA 3 OF YOUR MESSAGE AND WHAT A S&L HAS TOLD FHLB OF SEATTLE. IN LETTER OF MAY 7 TO LATTER, A S&L DOES NOT SAY THAT ALL DEPOSITS ARE TRANSMITTED TO FHLB OF SEATTLE, BUT THAT ALL THE DEPOSITS ARE PLACED IN "DAILY INTEREST ACCOUNTS". WE READ THIS TO MEAN THAT CONCEIVABLY SOME OF THE FUNDS COULD BE PLACED IN DAILY INTEREST ACCOUNTS OUTSIDE OF THE FHLB OF SEATTLE. QUESTION ARISES THEN AS TO HOW MUCH AND WHERE.

8. AN ADDITIONAL QUESTION CONCERNS THE TIMELY TRANSFER OF FUNDS TO THE RIGHT DEPOSITORS WHEN THEY ARRIVE ON THE MAINLAND. FHLB BOARD SYSTEM HAS NOT YET TAKEN ACTION TO INFORM ITS OTHER ELEVEN REGIONAL HOME LOAN BANKS OF A S&L'S REQUEST OF MAY 7 TO THE FHLB OF SEATTLE TO INFORM OTHER S&L'S AND BANKS OF THE GUAM OPERATION. IN THE CASE OF COMMERCIAL AND OTHER BANKS, THIS WOULD INVOLVE FEDERAL AND STATE BANKING AUTHORITIES NOT ONLY ON THE WEST COAST BUT
CONFIDENTIAL

PAGE 04 STATE 126831

THROUGHOUT CONUS, ESPECIALLY IN AREAS TO WHICH MOST REFUGEES ARE FIRST GOING. INGERSOLL

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REFUGEES, BANK DEPOSITS, BANK SERVICES
Control Number: n/a
Copy: SINGLE
Draft Date: 31 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE126831
Document Source: ADS
Document Unique ID: 00
Drafter: EB/IFD/OMA:CCCUNDIFF
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Film Number: D750191-0231
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t197505104/baaaalij.tel
Line Count: 145
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 16 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 Sep 2003 by MorefiRH>; APPROVED <29 OCT 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: EFIN, VS
To: CINCPACREP INFO CAMP PENDLETON
EGLIN AFB
FT CHAFFEE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006